

AGRICULTURAL RISK PROTECTION ACT

PUBLIC LAW 106-224

CHANGES TO THE CHILD AND ADULT CARE FOOD PROGRAM (CACFP)

Section 243(a)(1)-(7): Definition of Institution

- Restructures and reorganizes current definition of an eligible institution.
- Center sponsors recognized explicitly in the law

Section 243(a)(8): Institution Eligibility

Adds or modifies four basic institution eligibility requirements:

- Institutions must not have been terminated for cause from other public programs
- Sponsors required to employ appropriate number of monitoring staff
- Sponsors required to restrict outside employment which interferes with CACFP duties
- New sponsors must be bonded if required by State law, regulation, or policy

Section 243(b)(1): Approval of Institutions

Establishes criteria for SA approval of institution applications:

- All institutions must be financially viable, administratively capable, and have internal controls in place to ensure accountability
- Private non-profits institutions must have tax-exempt status
- New sponsors must propose to serve unserved facilities/children (SA to develop criteria based on USDA guidance)

Section 243(b)(2): Monitoring

Inserts new minimum monitoring requirements:

- Unannounced visits by sponsors to facilities (once every 3 years)
- Scheduled visit by sponsors to facilities (once a year)
- Scheduled visit by SA to institutions (once every 3 years)

Section 243(b)(4): Program Information

Requires distribution of Program information to parents of enrolled children

- Parents of currently-enrolled children must be notified within 90 days of enactment (c. 9/20/00)
- Parents of newly-enrolled children must be notified at time of enrollment

Section 243(b)(5): Administrative Expenses

Requires USDA to develop (in consultation with SAs and SOs) and disseminate list of allowable reimbursable administrative expenses for CACFP sponsors

Section 243(c): Termination and Appeals

Requires that:

- USDA develop termination procedures for institutions and homes
- Procedures must differentiate between standards for termination due to unlawful practices and termination for failure to fulfill the terms of the Program agreement
- Institutions and homes must be given opportunity to take corrective action prior to termination
- Institution or home may be “suspended” when public/children’s health or safety is threatened
- Institution or home must have hearing prior to termination [**pending provision in new bill**--except that, if SA alleges false or fraudulent claim, may suspend after holding independent review of action]
- USDA maintain list of disqualified institutions, homes, and individuals

Section 243(d): Recovery of Funds

SA may recover disbursed funds for fraud or invalid claims but:

- Recovered funds can’t come out of Program reimbursements
- Recovered funds may be paid back to SA over 1 or more years
- Institutions have right to hearing prior to recovery of disbursed funds

Section 243(e) Center Sponsors’ Administrative Expenses

15 percent cap on center expenses, except with SA waiver for cause

Section 243(f): Provider Transfers

SA must have system to limit provider transfers to no more than one per year

Section 243(g): Title XX demo

Adds third for-profit demo State [Delaware]

Section 243(h): Management Improvement Training

USDA shall provide “continuous” management improvement training to SAs, and ensure that SAs provide to institutions

Section 243(i): At-Risk Suppers

Establishes 6-state entitlement to claim suppers in at-risk program

Names 4 States (PA, MO, DE, MI); USDA will select last 2 competitively

Section 243(j): Withholding of SAE

USDA may withhold SAE if SA fails to train or monitor institutions

Section 172: Implementation

USDA shall publish implementing rules within 120 days of enactment

Section 263: Interim Rule

Implementing rules shall be published without reference to the public notice and comment provisions of the Administrative Procedures Act, the Paperwork Reduction Act, or USDA policies regarding public consultation on rules